

## **STATEMENT OF PURPOSE**

### **RS20076**

This legislation is designed to eliminate certain exemptions from the Sales Tax, and reduce the Sales Tax rate from 6% to 5%. The main features of the legislation are: Retain the Production/Agricultural exemptions; Eliminate ten exemptions – broadcast equipment, commercial aircraft, railroad rolling stock and remanufacturing, drivers education automobiles, trade in value, ski lifts and snow grooming equipment, heating materials, utility sales, precious metal bullion, and telecommunications equipment; Extends Sales Tax to nine categories of Services. (Professional, Personal, Business, Construction, Transportation, Repairs, Lottery and Pari-mutual betting, Media Measurement, and miscellaneous.) Maintains the exemption for Medical Services, and extends Sales Tax to motor vehicle purchases by related parties, sales through vending machines, and sales by outfitters and guides.

### **FISCAL NOTE**

This legislation is estimated to produce a net revenue increase of \$371 million.

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